



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-063]

Cast Iron Soil Pipe Fittings from the People's Republic of China: Countervailing Duty Order

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: Based on affirmative final determinations by the Department of Commerce (Commerce) and the International Trade Commission (ITC), Commerce is issuing a countervailing duty order on cast iron soil pipe fittings (soil pipe fittings) from the People's Republic of China (China).

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Dennis McClure or Jinny Ahn, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone (202) 482-5973 or (202) 482-0339, respectively.

SUPPLEMENTARY INFORMATION:

Background

On July 11, 2018, Commerce published its final determination in the countervailing duty investigation of soil pipe fittings from China.¹ On August 22, 2018, the ITC notified Commerce of its final determination, pursuant to section 705(d) of the Act, that an industry in the United

¹ See *Cast Iron Soil Pipe Fittings from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 83 FR 32075 (July 11, 2018) (*Final Determination*).

States is materially injured within the meaning of section 705(b)(1)(A)(i) of the Act, by reason of subsidized imports of soil pipe fittings from China.²

Scope of the Order

The merchandise covered by the scope of this order is cast iron soil pipe fittings, finished and unfinished, regardless of industry or proprietary specifications, and regardless of size. Cast iron soil pipe fittings are nonmalleable iron castings of various designs and sizes, including, but not limited to, bends, tees, wyes, traps, drains (other than drain bodies), and other common or special fittings, with or without side inlets.

Cast iron soil pipe fittings are classified into two major types – hubless and hub and spigot. Hubless cast iron soil pipe fittings are manufactured without a hub, generally in compliance with Cast Iron Soil Pipe Institute (CISPI) specification 301 and/or American Society for Testing and Materials (ASTM) specification A888. Hub and spigot pipe fittings have hubs into which the spigot (plain end) of the pipe or fitting is inserted. Cast iron soil pipe fittings are generally distinguished from other types of nonmalleable cast iron fittings by the manner in which they are connected to cast iron soil pipe and other fittings.

Excluded from this scope are all drain bodies. Drain bodies are normally classified in subheading 7326.90.86.88 of the Harmonized Tariff Schedule of the United States (HTSUS).

The cast iron soil pipe fittings subject to the scope of this order are normally classified in subheading 7307.11.0045 of the HTSUS: Cast fittings of nonmalleable cast iron for cast iron soil pipe. They may also be entered under HTSUS 7324.29.0000 and 7307.92.3010. The HTSUS subheadings and specifications are provided for convenience and customs purposes only; the written description of the scope of this order is dispositive.

² See ITC Notification Letter to the Deputy Assistant Secretary for Enforcement and Compliance, referencing ITC Investigation Nos. 701-TA-583 and 731-TA-1381, dated August 22, 2018.

Countervailing Duty Order

On August 22, 2018, in accordance with section 705(d) of the Act, the ITC notified Commerce of its final determination in this investigation, in which it found that imports of cast iron soil pipe fittings are materially injuring a U.S. industry. Therefore, in accordance with section 705(c)(2) of the Act, we are publishing this countervailing duty order. In its determination, the ITC found two domestic like products covered by the scope of the investigation: drain bodies and all other soil pipe fittings. The ITC made a negative determination with respect to drain bodies and an affirmative determination with respect to all other soil pipe fittings. Because the ITC made different injury determinations for separate domestic like products, Commerce will instruct U.S. Customs and Border Protection (CBP) to assess countervailing duties on entries of all cast iron soil pipe fittings (subject merchandise) other than drain bodies (excluded merchandise).

Drain Bodies

The ITC found that drain bodies are a separate domestic like product. The Final ITC Report describes typical drain bodies as having only one side that connects to a pipe or fitting.³ Further, drain bodies are not classified as either hubless or hub and spigot.⁴ Drain bodies may be painted in a different manner than other cast iron soil pipe fittings, which are coated in asphaltic material, black paint, or epoxy.⁵ Drain bodies often require assembly with attachments (cast iron and non-cast iron) such as stainless steel strainers, grates, and bolts to be a drain fixture ready for use.⁶ In addition, the purpose of a drain body is to collect and carry away liquid or water,

³ See Cast Iron Soil Pipe Fittings from China, Investigation Nos. 701-TA-583 and 731-TA-1381 (Final), Publication 4812, August 2018 (Final ITC Report) at I-14 and I-15.

⁴ *Id.* at I-15.

⁵ *Id.*

⁶ *Id.*

including wastewater, while the purpose of other cast iron soil pipe fittings is to connect pipe and fittings.⁷

Because the ITC made a negative determination of material injury with respect to drain bodies, Commerce will direct CBP to terminate the suspension of liquidation for entries of drain bodies from China entered, or withdrawn from warehouse, and refund any cash deposits with respect to these entries.

All Soil Pipe Fittings Other Than Drain Bodies

Because the ITC determined that imports of all cast iron soil pipe fittings other than drain bodies from China are materially injuring a U.S. industry, all unliquidated entries of subject merchandise from China, entered or withdrawn from warehouse, are subject to the assessment of countervailing duties.

As a result of the ITC's final determination, in accordance with section 706(a) of the Act, Commerce will direct CBP to assess, upon further instruction by Commerce, countervailing duties on unliquidated entries of subject merchandise from China entered, or withdrawn from warehouse, for consumption on or after December 19, 2017, the date on which Commerce published its preliminary countervailing duty determination in the *Federal Register*,⁸ and before April 18, 2018, the effective date on which Commerce instructed CBP to discontinue the suspension of liquidation in accordance with section 703(d) of the Act. Section 703(d) of the Act states that the suspension of liquidation pursuant to a preliminary determination may not remain in effect for more than four months. Therefore, entries of subject merchandise from China made on or after April 18, 2018, and prior to the date of publication of the ITC's final

⁷ *Id.*

⁸ See *Cast Iron Soil Pipe Fittings from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Duty Determination*, 82 FR 60178 (December 19, 2017) (*Preliminary Determination*).

determination in the *Federal Register* are not liable for the assessment of countervailing duties due to Commerce's discontinuation of the suspension of liquidation.

Suspension of Liquidation

In accordance with section 706 of the Act, Commerce will direct CBP to reinstitute the suspension of liquidation of subject merchandise (*i.e.*, all soil pipe fittings other than drain bodies) from China, effective the date of publication of the ITC's notice of final determination in the *Federal Register*, and to assess, upon further instruction by Commerce pursuant to section 706(a)(1) of the Act, countervailing duties for each entry of the subject merchandise in an amount based on the net countervailable subsidy rates for the subject merchandise. On or after the date of publication of the ITC's final injury determination in the *Federal Register*, we will instruct CBP to require, at the same time as importers would normally deposit estimated duties on this merchandise, cash deposits for each entry of subject merchandise equal to the rates noted below. These instructions suspending liquidation will remain in effect until further notice. The all others rate applies to all producers or exporters not specifically listed, as appropriate.

Company	Subsidy Rate (Percent)
Shanxi Xuanshi Industrial Group Co., Ltd	34.87 percent
Wor-Biz International Trading Co., Ltd. (Anhui)	7.37 percent
Shijiazhuang Chengmei Import & Export Co., Ltd	133.94 percent
All-Others	23.28 percent

Notifications to Interested Parties

This notice constitutes the countervailing duty order with respect to soil pipe fittings from China pursuant to section 706(a) of the Act. Interested parties may visit <https://enforcement.trade.gov/stats/iastats1.html> or contact Commerce's Central Records Unit,

Room B8024 of the main Commerce Building, for copies of an updated list of countervailing duty orders currently in effect.

This order is issued and published in accordance with section 706(a) of the Act and 19 CFR 351.211(b).

Christian Marsh,
Deputy Assistant Secretary
for Enforcement and Compliance.

August 28, 2018

Date

[FR Doc. 2018-19095 Filed: 8/30/2018 8:45 am; Publication Date: 8/31/2018]